

FINANCIAL SUMMARY FOR 2009 LEGISLATIVE SESSION

Appropriating in Rapidly Changing Circumstances

The weak economy, plummeting oil and natural gas prices, and falling general fund revenue were the focus of the 2009 Legislature. The natural gas price, which averaged \$11 per MCF in July 2008, fell below \$3 per MCF in February and March, pushing the fiscal year average down significantly (Appendix A). As the U.S. economy moved quickly into recession, New Mexico economic activity turned negative causing broad-based declines in income and sales tax revenue.

As the 2009 session began, the Legislature faced a shortfall in appropriations projected at \$454 million in FY09. There was no authority to use general fund reserves to cover the shortfall and, even if there had been transfer authority, projected reserves were in the range of 3 percent rather than the targeted 10 percent.

SOLVENCY LEGISLATION

Aside from bill introduction, the first two weeks of the legislative session were devoted in significant part to consideration and passage of 4 bills recommended by the LFC to restore FY09 general fund solvency (Appendix B). The bills comprised a four-pronged approach:

- Revenue measures - \$148 million including reinstating a quarterly estimated payment of corporate income taxes and transferring surplus fund balances to the general fund;
- Operating budget and special appropriation reductions including reducing FY09 Medicaid and public school appropriations by 1 percent and other agencies up to 5 percent;
- Voiding capital outlay appropriations - \$152 million including \$58 million from public school capital outlay; and
- Additional transfer from general fund reserves - \$56 million.

Combined, the measures resulted in projected FY09 ending general fund balances of 10.3 percent.

FEBRUARY REVISION TO REVENUE ESTIMATES

On February 15, 2009, just prior to HAFC action on the General Appropriation Act (HB2), DFA, TRD and LFC updated the December 2008 consensus revenue estimate used to develop the Executive and LFC budget recommendations. Although the FY09 estimate was up slightly due to technical factors, the FY10 revenue outlook was revised downward by \$282 million to \$5.489 billion.

Projected FY10 revenue is \$575 million or 9 percent lower than the FY09 budget prior to adjustment in the solvency bills. The FY10 natural gas price forecast fell from \$6.35/mcf to \$4.80/mcf (still looking high from today's view - see Appendix A). All major revenues were revised downward reflecting the weak economy. Oil and gas revenue as a share of general fund

revenues are projected to fall from 20.6 percent in FY08 to 12.2 percent, the lowest share since FY99 (Appendix C).

FEDERAL STIMULUS/AMERICAN RECOVERY AND RELIEF ACT (ARRA)

As legislators watched the weakness in financial markets, the economy and state revenue, the U.S. congress worked on a sweeping measure to stimulate the economy and provide relief to strapped state and local governments. It was a challenging period as the amounts of aid and policies and rules kept changing from US House to Senate to Conference Committee, creating a moving target for state policy makers. As detailed in the pie charts in Appendix D and E, the final version will provide \$1.9 billion to New Mexico over several years. The challenge for legislators working on the budget, however, is that the federal funding expires in significant part in FY11. As the FY10 budget was put together, legislators struggled to find the right balance between:

- Using the federal stimulus money to avoid cuts in state services but not falling off a big cliff in FY11 and FY12; and
- Reducing FY10 appropriations to a level matching revenue and not using the federal stimulus money as intended.

GENERAL FUND OUTLOOK FOR FY11 AND FY12

The February 2009 consensus revenue estimates project that, after a 10 percent decline in revenue from FY08 to FY10, revenues would grow around 4 to 5 percent in FY11 and FY12. As shown on Appendix F, spending will need to increase approximately \$275 million, or 5 percent in each of FY11 and FY12 to just remain flat with FY10. The increases required include \$330 million to replace federal stimulus, \$22 million to replace use of tobacco revenue, \$24 million to restore funding for textbook purchases, \$43 million in FY12 when the retirement contribution swap ends and \$40 million for scheduled employer increase to education retirement.

FY10 projected general fund balances total \$570 million. The outlook for FY11 and FY12 is for projected revenue growth of around 5 percent allowing replacement of federal stimulus funds while maintaining flat spending and reserves around 10 percent. This level of reserves is responsible given the continued uncertainty in the economy and energy markets.

Projected 5 percent revenue growth in FY11 and FY12 may be optimistic, given current weakness in natural gas prices. On the other hand, the revenue reserve level of 10 percent provides a significant cushion for any unanticipated weakness in revenue.

2009 GENERAL APPROPRIATION ACT

The House passed a HB2, the General Appropriation Act, with general fund appropriations of \$5.488 billion for FY10. The Senate made very minor adjustments of approximately \$4 million, in other words accepting 99.92 percent of the House measure. The House concurred with the Senate amendments, avoiding a conference committee.

The FY10 appropriation level is \$538 million, or 9 percent, below the FY09 operating budget prior to the 2009 solvency legislation. FY10 recurring appropriations are \$375 million, or 6.4 percent, below the FY09 adjusted operating budget. FY10 recurring appropriations are virtually in balance with estimated FY10 recurring revenue (Appendix G and H.)

FINANCIAL SUMMARY OF 2009 LEGISLATION

HB2 uses \$330 million of federal stimulus funding to reduce the general fund appropriations for public education and Medicaid. Adjusted for the additional Federal revenue, the FY10 general fund appropriation is down approximately \$200 million, or 4 percent.

HB2 assumes enactment of HB854 reducing the employer share of retirement 1.5 percent and increasing the employee share of retirement by the same amount saving \$42 million. HB2 avoids layoffs or furloughs of public employees but requires higher agency personnel vacancy rates, both targeted and across the board reductions in spending in contracts and reduced spending for IT equipment, vehicles and other goods. HB2 maintains “above the line” public school formula funding close to FY09 levels and avoids cuts in Medicaid eligibility and benefits.

Nonrecurring appropriations of \$50.5 million in HB2 include an increase of \$8 million, including \$7 million for emergency funding for school districts from the appropriation contingency fund “lock box” and \$42 million of special and supplemental appropriations charged to FY09. For FY10, there are \$35 million of transfers to special revenue funds and a \$65 million transfer to the Appropriation Contingency Fund, part of general fund reserves.

Public Education - FY10 recurring appropriations for the state equalization guarantee of \$2.195 billion, down \$188 million, or 7.9 percent from the original FY09 appropriation. CSHB2 reported federal funds allocation from the stimulus bill of \$164.7 million for the public school funding formula, leaving \$97.3 million in federal stabilization funds for the formula in FY11. SFC amendments delete the expansion appropriation of \$4.5 million for elementary PE and shift funding to offset the impact of the reductions made for FY09 solvency. CSHB2 included \$8.4 million for growth in rapidly growing for districts, and \$12 million for the 5th year of a 7 year phase-in of higher employer retirement contributions. SFC amendments also incorporate the 1.5 percent shift from employer/employee contribution for ERB into the SEG.

Below-the-line related and categorical appropriations decline \$45 million from the original FY09 appropriations including a \$7.3 million reduction in transportation and a \$23.7 million reduction in instructional materials.

Higher Education - FY10 recurring appropriations for higher education are \$853 million, down 3.6 percent from the original FY09 budget and down 1.1 percent from the FY09 adjusted budget. Base workload is fully funded for \$5.4 million with net adjustments of negative \$16 million to reduce institutional overhead costs and roll back building and equipment renewal funding. SFC amendments further reduced “G” administrative costs by an additional 0.5 percent. SFC amendments also sanded select special projects by that were not subject to sanding in the CSHB2. Other reductions are \$9.6 million for the 1.5 percent shift from employer/employee

contribution for ERB, now incorporated in institution budgets. Tuition credits remain at \$6.7 million.

Health and Human Services - The federal stimulus package boosts the federal Medicaid assistance percentage (FMAP) approximately 8 percent retroactive to October, 2008. For FY09 this will trigger a general fund reversion of approximately \$150 million which contingent on enactment of HB920 will go to a special fund for future Medicaid appropriations.

For FY10 the higher FMAP afforded a reduction in the general fund appropriation for Medicaid by \$166.5 million, mostly at HSD, but also for the Department of Health and the Children Youth & Families Department.

The FY10 general fund appropriation for the Department of Health is \$285.5 million, down 5.4 percent from the original FY09 budget. SFC amendments reduce the development disabilities program by \$1.6 million and increase facilities management by \$1.6 million to address concerns with the personal services category. SFC amendments reflect a \$15.9 million reduction, from FY09, to the development disabilities program while leaving \$5.4 million general fund to reduce the waiting list for waiver services by approximately 216 clients. The general fund appropriation for the facilities management program increases 18 percent to \$63.6 million.

Public Safety - The FY10 general fund appropriation to the Corrections Department is \$284.7 million, \$12.4 million, or 4.2 percent, below original FY09. A key factor in the corrections budget is declining inmate population over the last year. The FY10 general fund appropriation to the Department of Public Safety is \$95.1 million, down 4.6 percent from original FY09. SFC amendments increase general fund by \$1 million and set aside \$1 million from the appropriation contingency fund to purchase gasoline or avoiding a reduction in force of officers if no other funds are available and to avoid a disruption in service and appropriated \$1 million in federal funds to account for funding the agency is slated to receive from the federal stimulus package. A state police vacancy rate of over 10 percent, along with recruiting difficulties, affect the funding needed for state police. CSHB carved out a separate program for the motor transportation division out of the law enforcement program.

Other General Reductions - Following the new February 2009 revenue estimate indicating an FY10 decline of \$282.5 million compared to the December forecast, final HAFC action on HB2 adopted \$57 million additional spending reductions, including \$42 million contingent on passage of HB854. SFC amendments distributed the \$42 million to state agencies, public schools and higher education institutions, and removed the contingency of HB854. If HB854 is not enacted the reductions to state agencies, public schools and higher education remain. HAFC action reduced personal services and benefit funding by 1 percent to reflect vacancy savings from the hiring freeze to save \$8.4 million and reduces most contract appropriations an additional one percent to save \$2.6 million.

Special and Supplemental Appropriations - FY09 general fund appropriations in Sections 5 and 6 total \$50.5 million, including \$8.6 million from the ACF for public education. Significant items are \$3 million for the super computer center, \$3 million for job training, \$1 million for the 2010 primary elections, \$2.9 million to repay the U.S. Department of Health and Human

Services for IT rate overcharges, \$5 million to supplement Department of Health FY09 funding, \$3 million for FY09 emergency aid to school districts, \$9 million for Department of Health short-falls in FY08 and \$8.2 million for information technology systems.

CAPITAL OUTLAY

Capital outlay was a crucial element of the plan to address the FY09 shortfall of \$454 million. Chapter 5 (House Bill 9) included 82 general fund projects totaling approximately \$91.6 million and 42 severance tax bond projects (STB) totaling approximately \$24.6 million. The voided STB projects plus \$23 million of this year's new STB capacity was authorized to continue \$47.7 million for viable general fund projects.

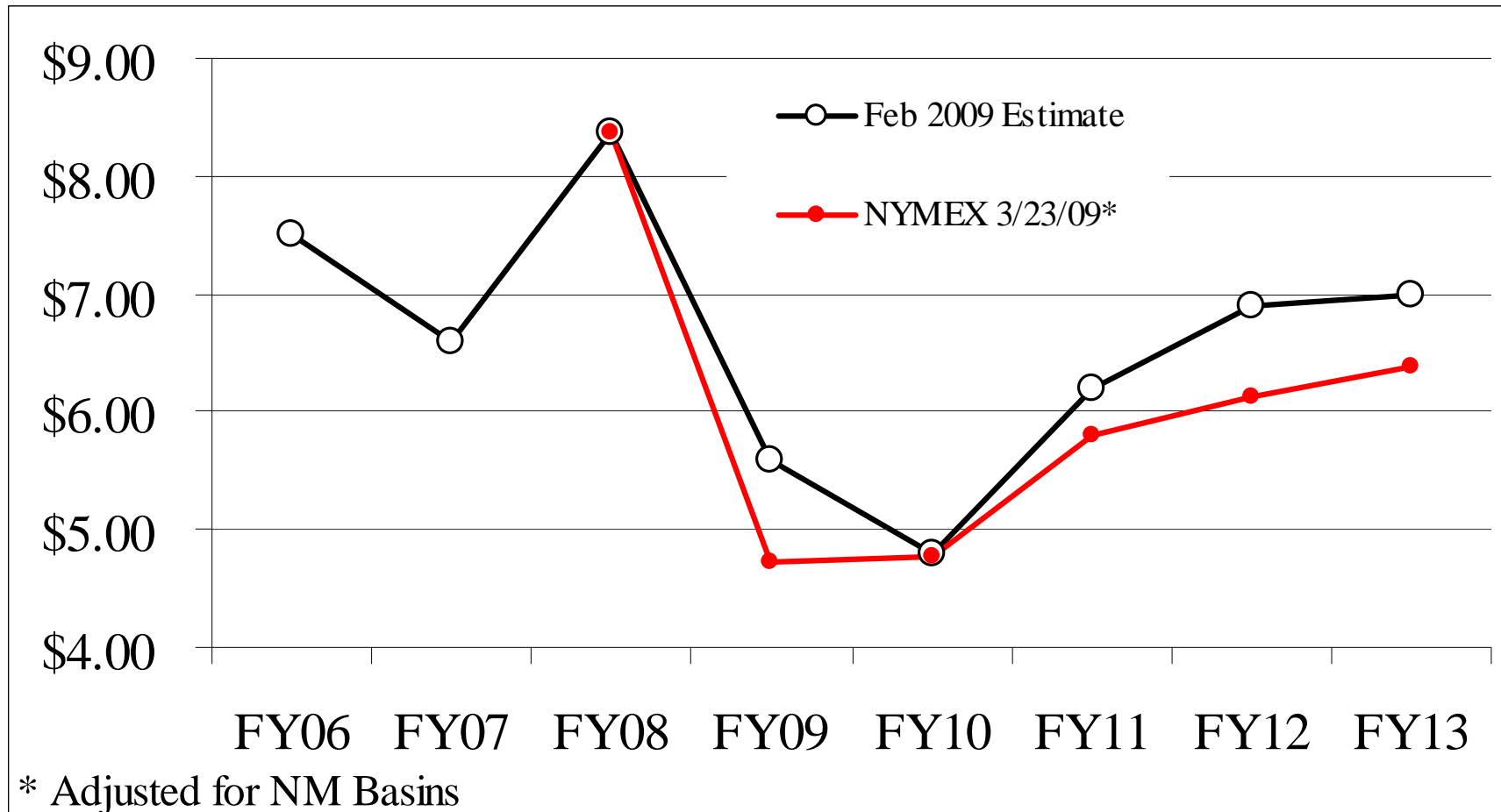
Senate Bill 443 reauthorized 553 projects funded in previous years – 71 requested by the executive, 230 requested by the House members and 252 requested by Senate members. Significant reauthorizations include the following:

- \$550,000 originally authorized to provide telemetric water metering for the Elephant Butte irrigation district was reauthorized to the Department of Finance and Administration to purchase property in and around the downtown area for public facilities in Albuquerque.
- \$800,000 originally authorized for Grant County for a public library, dormitories for Navajo students at Aztec high school, and construction at Dine College was reauthorized to the University of New Mexico Pit Sports Arena.
- Approximately \$1 million from various local projects throughout the state was reauthorized to New Mexico State University (NMSU) for various improvements to athletic facilities and to purchase a vehicle for the NMSU Department of Agriculture.

House Bill 154 authorized \$139.9 million for 73 projects; \$134 million from STB for 65 projects and \$5.9 million of other state funds for eight projects. 76.5 percent of all funding reflects the most critical needs impacting public health and safety deficiencies at state-owned and operated facilities. A majority of the projects funded were recommended by the Joint LCS/LFC Capital Outlay Subcommittee based on criteria adopted by the committee during the interim. The bill contained no local projects funded by individual Legislators or the executive. Projects recommended by the executive totaled \$32.9 million; including \$25.5 million for seven economic development projects.

Refer to Appendix I for capital outlay by funding source for 2003-2009.

Appendix A: Natural Gas Prices in New Mexico (\$/MCF)



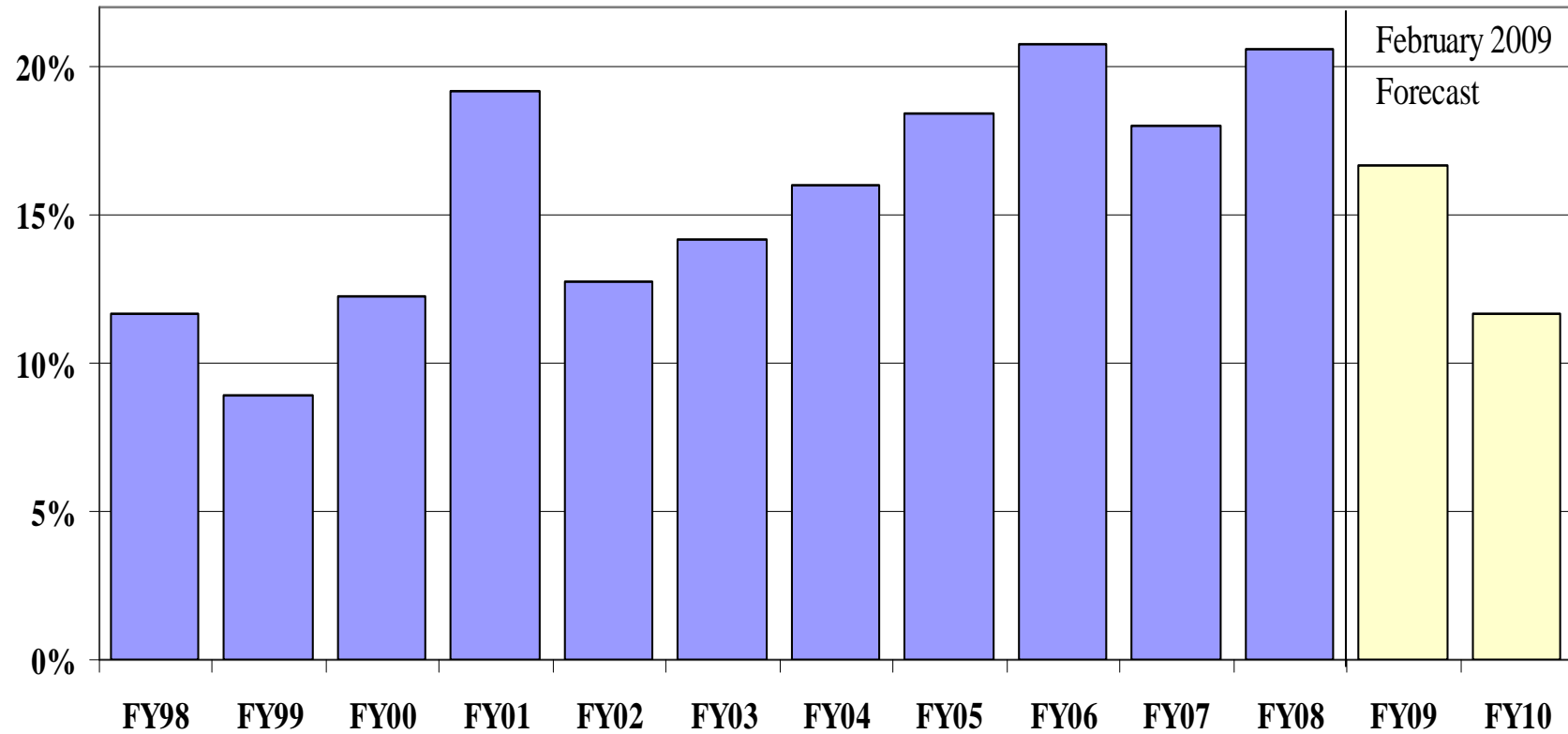
Appendix B

FY09 SOLVENCY PLAN

		HB 9, HB10, SB79, SB80	CSHB10, CSSB79, SB80/a, CSHB9/a	Vetoed	Final
I. FY09 APPROPRIATION ACCOUNT					
		Total Adjusted Revenues	5,647.6	5,647.6	5,647.6
		February Adjustment			16.0
Chapter 1	Total Appropriations	6,086.7	6,086.7		6,086.7
	Feed Bill	7.9	8.4		8.4
	2009 Supplementals/2008 Deficiencies (LFC Rec.)	21.8	21.8		21.8
	Total Approps	6,116.4	6,116.9		6,116.9
		Shortfall	(468.8)	(469.3)	(453.3)
II. FY09 APPROPRIATION ACCOUNT OPTIONS					
Revenue/Transfers:					
Chapter 4	Accelerate CIT Quarterly Payments	65.0	65.0		65.0
	February Revision				(7.0)
	Subtotal	7.1	7.1		7.1
	Unclaimed property	5.9	5.9		6.0
	Enforce MV statute (motor vehicle excise)	1.6	1.6		1.6
	Freeze Fire Protection Fund @FY08 Level (HB466)				
Chapter 3, Section 6	Appropriate TANF Contingency Funds to Tax Admin Act Suspend for Working Families Tax Credit (Transfer language vetoed)		22.1		22.1
Chapter 3, Section 8	Reduce Corpus of College Affordability Endowment Fund	20.0	14.5		14.5
Chapter 3, Section 4 Fund Transfers	Public Election Fund	1.8	1.8		1.8
	Public Pre-Kindergarten Fund	0.8	0.8		0.8
	Juvenile Continuum Grant Fund	0.5	0.5		0.5
	Daycare Fund	1.5	1.5		1.5
	Telecommunications Access Fund	8.0	8.0		8.0
	Corrections Department Intensive Supervision Fund	1.0	1.0		1.0
	Workers' Compensation Administration Fund	5.0	5.0		5.0
	Juvenile Community Corrections Grant Fund	3.0	3.0		3.0
	Youth Conservation Corps Fund	0.5	0.5		0.5
	Higher Education Endowment Fund (2007 unspent funds)	0.6	0.6		0.6
	Higher Education Dept Performance	-	-		-
	DPS - fines/forfeitures	-	-		-
	HSD revert PY IT approp	-	-		-
	Water Rights Adjudication (AOC)	1.0	1.0		1.0
	Electronic Voting Machine Fund	1.5	1.5		1.5
	SB9 Public Infrastructure	-	5.5		5.5
	PRC Insurance Fraud Fund	0.4	0.4		0.4
	Motor Boat Fuels Tax	0.1	0.1		0.1
	DOT Rubberized Asphalt Fund	-	-		-
	Board of Nursing Fund	1.0	1.0		1.0
	Subtotal	126.3	148.4		141.5
GF Specials/Appropriations					
Chapter 3, Section 1	2008 Legislative Branch Reductions - 2.5%	0.4	0.4		0.4
Chapter 3, Section 1, Subsection D	2009 Legislature Reductions - 2.5%		0.2		0.2
Chapter 3, Section 2	2008 Special Appropriations Reductions (SB 165) - 7.3%	0.5	0.5		0.5
Chapter 3, Section 7	Reduce 2008 Special Session Medicaid, DD & Behavioral Health - SB22	27.0	27.0		27.0
	Replace Special Session Medicaid with TANF in the amount of \$22.1 million with contingency language - Changed from Medicaid to TAA Suspend		Revised from Medicaid to TAA suspense		
Chapter 3, Section 9	Replaces GF Medicaid reduction of \$24.6 (HB10) with Tobacco Settlement Program Funds (\$22.55 ost + \$2.1 cash balance)				
Chapter 3, Section 12	Repeals Laws 2008, Chapter 50 Section 1 (HB546)				
Chapter 2, Section 1, Subsections A & B	Sand all other appropriations by varying amounts (includes public schools, higher education and excludes Medicaid and Courts)	125.9	124.2		124.2
Chapter 2, Section 1, Subsection B	Sand courts by 1.4%	2.1	2.1		2.1
Chapter 2, Section 1, Subsection C	Reduce Medicaid by 1%	8.0	8.0		8.0
Chapter 2, Section 1, Subsection D	Reduce GF Medicaid (Replaced w/Tobacco Settlement Program Funds and cash balance)	24.6	24.6		24.6
Chapter 2, Section 1, Subsection E	Reduce Public School Transportation by amt of Special Session Appropriation for Fuel	4.0	4.0		4.0
Chapter 2, Section 4 Compensation	Reduce unspent special appropriations:				
	DFA - NM portion of AZ water settlement	-	-		-
	SHARE Training	0.3	-		-
	WSD - bridge funding for operations	-	-		-
	Reduce Compensation Amounts by 2.5%	1.1	1.1		1.1
	Subtotal	193.9	192.1		192.1
General Fund Capital Outlay					
Chapter 3, Section 4, Subsection C	PSFA approp adjustment	58.4	58.4		58.4
Chapter 5	Other capital outlay	104.9	92.6	(2.4)	91.6
Chapter 5	Revert 2004 and prior year projects		1.4		
	Subtotal	163.3	152.4		150.0
Total Appropriation Account Adjustments		483.4	492.8		483.5
		Adjusted Shortfall	23.5		30.2
III. Transfers/Approps from GF Restricted Reserves:					
Chapter 3, Section 10	Education Lock Box (resides in the Approp Contingency Fund) - Appropriates funds to public schools	35.8	35.8		35.8
Chapter 3, Section 11	Fund Special Session income tax rebate (SB24) from transfer from Tax Stabilization Reserve	55.7	55.7		55.7
	Subtotal	91.5	91.5		91.5

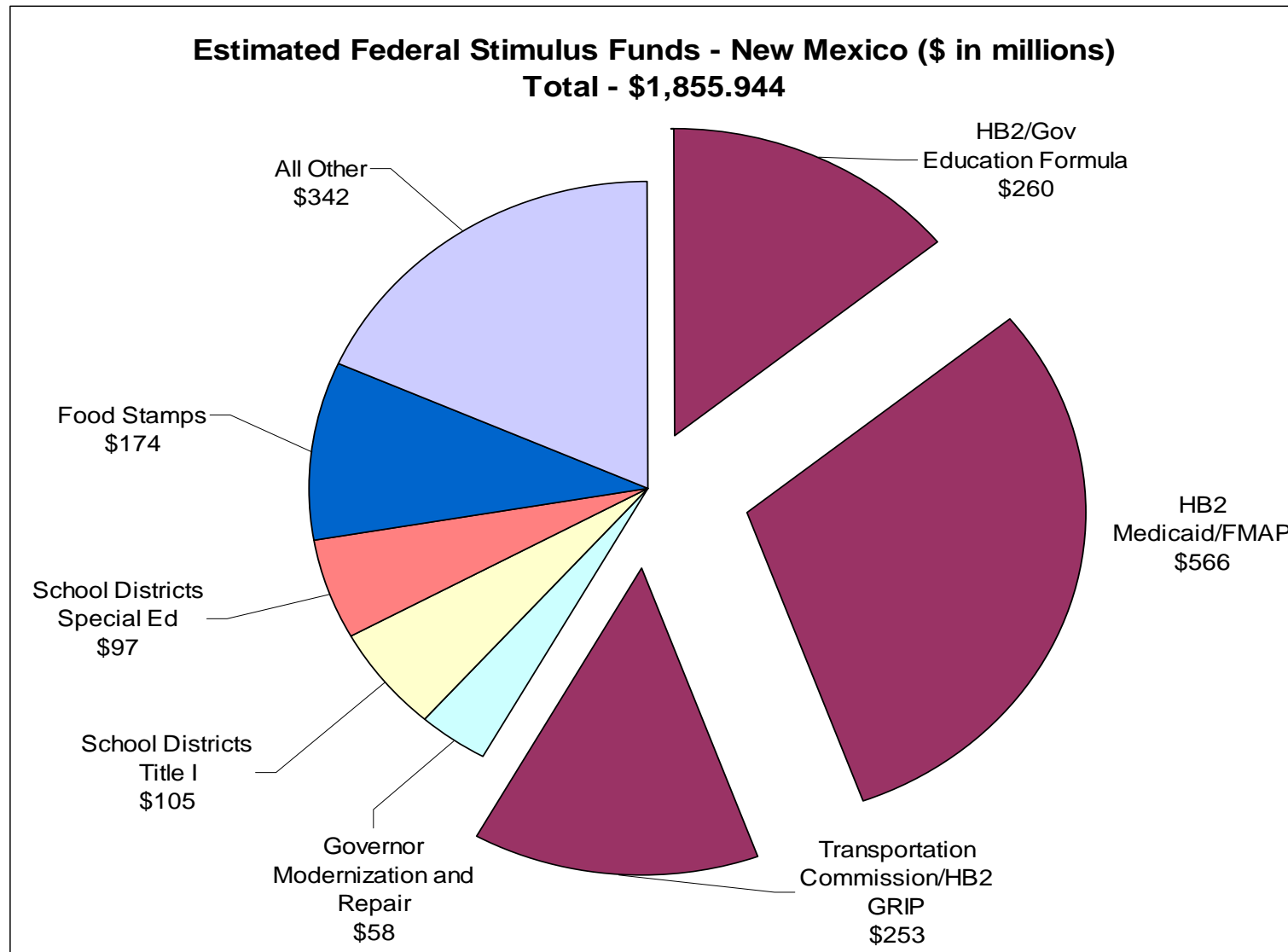
Appendix C

Energy-related Revenues as a Share of Total General Fund Revenue

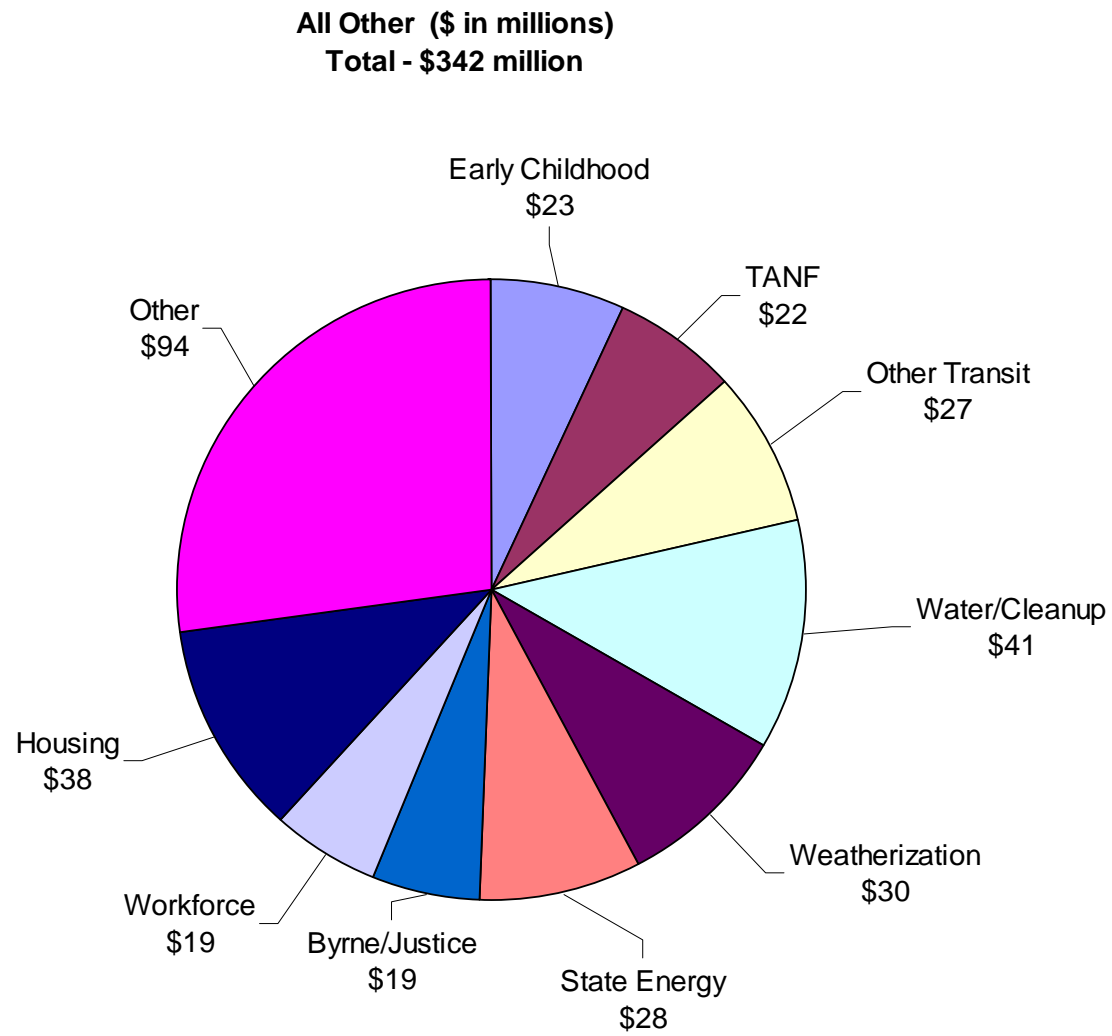


Sources: Department of Finance and Administration, General Fund Reports; LFC files.

Appendix D



Appendix E



Appendix F

FY10 RECURRING GENERAL FUND SCENARIO WITH FED STIMULUS AND OUT YEARS FINAL (\$ in Millions)

		FY10 SFC	New FY11	New FY12	
	APPROPRIATION ACCOUNT	B	C	D	
1	REVENUES:				1
2	February Estimate	5,450.9	5,715.6	5,972.3	2
3					3
4	Revenue Adjustments	34.2	11.0	(11.5)	4
5					5
6	Sub Total Recurring Revenues	5,485.1	5,726.6	5,960.8	6
7					7
8	Other nonrecurring revenues	-	-	-	8
9	Sub Total Nonrecurring Revenues	-	-	-	9
10	TOTAL REVENUES	5,485.1	5,726.6	5,960.8	10
			assume 0% growth	assume 0% growth	
11	APPROPRIATIONS:				11
12	Public School Support (1)	2,373.8	2,373.8	2,483.0	12
13	Higher Education (2)	853.2	853.2	869.0	13
14	Medicaid (FY11 is cut \$131.9 due to approp. From Medicaid reversion fund) (3)	601.0	469.1	706.7	14
15	Other Human Services (4)	115.2	115.2	119.2	15
16	Department of Corrections	284.7	284.7	284.7	16
17	Department of Health	285.5	285.5	285.5	17
18	Department of Public Safety	95.1	95.1	96.1	18
19	Children, Youth & Families Dept. (5)	200.8	200.8	209.8	19
20	SubTotal Other Agencies	678.7	678.7	678.7	20
21					21
22	Agency Total	5,488.1	5,356.2	5,732.8	22
23					23
24	FY10 Nonrecurring Replacement Appropriations				24
25	Federal fund replacement information				25
26	Education stabilization		68.8	95.9	26
27	Medicaid		83.2	83.3	27
28	Subtotal	-	152.0	179.2	28
29					29
30	ERB (\$14 PED, \$6 HED)		20.0	20.0	30
31	Inst Material		22.8		31
32	Ed Tech (Pub Sch)		3.6		32
33	Restore ER&R		7.3		33
34	Restore BR&R		1.0		34
35	Higher Ed Sq Footage		1.5		35
36	Los Lunas Substance Abuse		4.0		36
37	Child Care (TANF)		7.0		37
38	Replace 50% Tobacco rev. for Medicaid		22.5		38
39	DPS vehicle purchase		1.0		39
40	Restore TANF for CYFD		2.0		40
41	Retiree Health Care		7.5	15.0	41
42	GSD/PSIA insurance		22.0	22.0	42
43	Restore Employer Share of ERB/PERA Contribution			42.6	43
44	2009 Session & 2008 Special Session				44
45	FY09 Solvency				45
46	Subtotal	-	122.2	99.6	46
47					47
48	Subtotal		274.2	278.8	48
49					49
50	Subtotal Recurring Appropriations	5,488.1	5,630.4	6,011.6	50
51					51
52	Nonrecurring Appropriations (Prior year)				52
53	2009 Specials, Supplementals and IT	36.0	36.0	36.0	53
54	FY09 Solvency				54
55	Restore FY09 Solvency Transfers				55
56	(College affordability, Public School Capital Outlay)	35.0			56
57	Transfer to ACF	65.0			57
58					58
59	Subtotal Nonrecurring Appropriations	136.0	36.0	36.0	59
60					60
61	TOTAL APPROPRIATIONS	5,624.1	5,666.4	6,047.6	61
62					62
63	Surplus (Deficit)	(139.0)	60.3	(86.7)	63
64					64
65	General Fund Reserves				65
66					66
67	Reserve Beginning	622.3	534.0	608.1	67
68	Transfers in from appropriations account	(139.0)	60.3	(86.7)	68
69	Other fund transactions	50.7	13.9	13.9	69
70	Reserve End	534.0	608.1	535.3	70
71	% of Appropriations	9.7%	10.8%	8.9%	71
72					72
73	Amount required to maintain 10 percent	14.9	(45.1)	65.9	73
74					74
75					75
76					76
77					77
78					78
79					79
80					80
81					81
82					82
83					83

Appendix G
GENERAL FUND FINANCIAL SUMMARY - PASSED BOTH
(Dollars in Millions)

		Preliminary FY2008	Estimated FY2009	Estimated FY2010
APPROPRIATION ACCOUNT				
REVENUE				
Recurring Revenue				
	#REF!	\$ 6,015.5	\$ 5,719.3	\$ 5,450.9
Revenue Enhancements		-	6.0	34.2
Total Recurring Revenue		\$ 6,015.5	\$ 5,725.3	\$ 5,485.1
Nonrecurring Revenue				
	#REF!	\$ 47.2	\$ (55.7) (1)	\$ -
Revenue Enhancements			\$ 2.8	
Laws 2009, Ch 3 (SB79)		-	55.7	
Laws 2009, Ch. 3 (SB79), Laws 2009, Ch. 4 (SB80)		-	135.5	-
Total Non-Recurring Revenue		\$ 47.2	\$ 138.3	\$ -
TOTAL REVENUE		\$ 6,062.6	\$ 5,863.6	\$ 5,485.1
APPROPRIATIONS				
Recurring Appropriations				
Recurring Appropriations - General		\$ 5,675.0	\$ 6,026.8	\$ 5,472.3
Recurring Appropriations - Laws 2009, Ch 1 (Feed Bill)		-	8.3	15.8
2009 Recurring-Specials, Supplementals, Deficiencies and IT		-	8.7	-
2008 Special Session		-	34.1	-
Laws 2009, Ch. 3 (SB79) - repeal 2008 SS		-	(27.0)	-
Total Recurring Appropriations		\$ 5,675.0	\$ 6,051.0	\$ 5,488.1
Nonrecurring Appropriations		\$ 313.0	\$ -	\$ -
2008 Nonrecurring Appropriations (incl. 2008 S.S.)		-	25.6	-
Audit Adjustments (2)		(17.9)	15.1	-
2009 Nonrecurring-Specials, Supplementals, Deficiencies and IT		-	33.5	-
2009 Fund Transfers		-	-	100.0
Laws 2009, Ch. 2 (HB10) and Laws 2009, Ch. 3 (SB79)		-	(164.9)	-
Laws 2009, Ch. 5 (HB9) and Laws 2009, Ch. 3 (SB79)		-	(150.0)	-
Total Nonrecurring Appropriations		\$ 295.1	\$ (240.8)	\$ 100.0
TOTAL APPROPRIATIONS		\$ 5,970.0	\$ 5,810.2	\$ 5,588.1
Transfer to Reserves		\$ 92.6	\$ 53.4	\$ (103.0)
GENERAL FUND RESERVES				
Beginning Balances		\$ 650.8	\$ 735.1	\$ 622.3
Transfers in from Appropriations Account		92.6	53.4	(103.0)
Revenue and Reversions		48.3	6.8	112.8
Appropriations, expenditures and transfers out		(56.7)	(173.0)	(62.1)
Ending Balances		\$ 735.1	\$ 622.3	\$ 569.9
Reserves as a Percent of Recurring Appropriations		13.0%	10.3%	10.4%

(1) Personal income tax credit enacted in special session 2008.

(2) The following were moved from FY08 to FY09: \$10.6 million IT lacking certification, \$1.5 million capital outlay, \$1.2 million for air service, \$2 million PED federal funds issue. In FY08, DOIT failed to meet conditions on \$2.8 million.

Appendix H

FY10 RECURRING GENERAL FUND PASSED (\$ in Millions)

	FY09 Approp	FY10 LFC REC	FY10 DFA REC	HAFC Total	SFC Total	SFC - FY09 OPBUD \$change	SFC - FY09 OPBUD %change
REVENUES:							
December Estimate		5,733.3	5,733.3	5,733.3	5,733.3		
February Revision				(282.5)	(282.5)		
Revenue Enhancements		26.5	31.2	33.6	33.6		
Total Recurring Revenues		5,759.8	5,764.5	5,484.4	5,484.4		
APPROPRIATIONS:							
Public School Support	2,608.1	2,567.1	2,532.1	2,397.7	2,373.8	(234.3)	-9.0%
Higher Education	884.9	864.8	867.9	863.9	853.2	(31.7)	-3.6%
Medicaid	798.6	753.5	764.0	600.9	601.0	(197.6)	-24.7%
Other Human Services	118.1	115.9	117.8	115.6	115.3	(2.8)	-2.4%
Department of Corrections	297.1	286.0	295.9	285.9	284.7	(12.4)	-4.2%
Department of Health	301.7	297.9	304.0	286.3	285.5	(16.2)	-5.4%
Department of Public Safety	99.8	94.9	98.6	94.7	95.1	(4.7)	-4.7%
Children, Youth & Families Dept.	206.9	204.9	214.1	201.8	200.8	(6.1)	-2.9%
General Services Department	16.9	16.5	16.7	16.3	16.2	(0.7)	-4.1%
Energy, Minerals & Natural Res. Dept.	27.4	25.6	26.4	25.1	24.9	(2.5)	-9.1%
State Engineer	25.9	23.1	24.6	22.7	22.1	(3.8)	-14.7%
Tourism	11.8	11.2	11.6	11.1	11.1	(0.7)	-5.9%
TRD	70.5	72.7	73.3	71.6	70.9	0.4	0.6%
Workforce Solutions Dept	8.8	7.7	9.1	7.6	7.3	(1.5)	-17.0%
Aging & Long-Term Care Dept.	51.1	49.6	48.9	49.2	49.0	(2.1)	-4.1%
Courts	154.6	152.8	153.2	150.3	149.5	(5.1)	-3.3%
PD	43.2	43.4	43.4	42.8	42.7	(0.5)	-1.2%
DAs	63.3	62.3	62.0	61.5	60.9	(2.4)	-3.8%
All Other Agencies	238.1	231.1	232.0	227.1	225.2	(12.9)	-5.4%
PERA/ERB 1.5% shift				(42.6)	-	-	
GSD Risk Rate Reductions	-	0.0	(12.4)	(1.1)	(1.1)	(1.1)	#DIV/0!
Agency Total	6,026.8	5,881.0	5,883.2	5,488.4	5,488.1	(538.7)	-8.9%
Recurring Surplus (Deficit)		(121.2)	(118.7)				

Appendix I

Capital Outlay Revenue by Source
2003-2009
(in millions)

